



**Department
of Health**

Encounter Data Withholds and Penalties MRT Action Implementation

Office of Health Insurance Program
Department of Health

June 2020



Agenda

Section	Topic	Page #
I	Encounter Data Withhold Proposals	3
II	Encounter Data Penalty Proposals	8

Encounter Data Withhold Proposal

3

- A withhold will be made retroactive to April 2020 rates on the total capitated premium of Mainstream, HARP and SNP plans (2%) and MLTC* plans (1.5%) to incentivize quality encounter data reporting; this withhold is separate from the encounter data penalty
- **Approach:** Plans earn back the reasonably attainable withheld capitated premium payments via successful submission of an *Encounter Data Reconciliation Worksheet* as outlined below
- **Implementation:**
 - Begin implementation with Q1/Q2 Calendar Year (CY) 2020 Encounter to Cost Report Comparisons
 - Plans receive Encounter to Cost Report ratios by service category and will be asked to complete a *Reconciliation Worksheet* that reconciles variances outside a specified threshold

Assessment Criteria	Assessment Description	Managed Care Line of Business	Withhold as % of Capitated Premium
 Quality of Submission (75% weight)	Plan submits a populated Encounter Data Reconciliation Worksheet for dollar amounts, units, and unit cost: <ol style="list-style-type: none"> 1. Reconciliation of variances between encounter and cost reports for all variances that are outside prescribed 0.95 to 1.05 range 2. Qualitative explanation of each Plan reconciled variance along with appropriate documentation 	MMC/HARP/SNP	1.50%
		MLTC*	1.125%
 Timeliness of Submission (25% weight)	Department receives populated <i>Encounter Data Reconciliation Worksheet</i> thirty (30) days after Plan receipt of the comparison reports	MMC/HARP/SNP	0.50%
		MLTC*	0.375%

Total Withhold as % of Capitated Premium	MMC/HARP/SNP	2.00%
	MLTC*	1.50%

*MLTCP, MA, and MAP Plans

Withhold Recouped based on Q1/Q2 CY Worksheet

4

- The CY 2020 withhold will be recouped by Plans in April 2021
- Only the Q1/Q2 CY 2020 *Encounter Data Reconciliation Worksheet* comparing January 2020-June 2020 encounter and cost report data will be used for scoring the withhold

Withhold Measure	Reconciliation Worksheet Timing	Withhold Payment Date
Q1/Q2 CY Encounter Data Reconciliation Worksheet	Q1/Q2 CY Reconciliation Worksheet is due from plans by approx. 12/31/2020 (30 days)	April 2021 , based on Plan submission of Q1/Q2 CY Encounter Data Reconciliation Worksheet

07/30/2020	09/15/2020	11/30/2020	12/31/2020	01/31/2021	04/30/2021
Encounter data cutoff date for reporting	Q1/Q2 CY Cost Report Submissions Due	Q1/Q2 CY EIS to Cost Report Comparisons released to Plans	<i>Encounter Data Reconciliation Worksheets</i> due to DOH from plans	Review of Worksheets complete	Withhold paid out

June 2020

Encounter Data Withhold Walkthrough

5



- The Quality of Submission Assessment is worth 1.5% of withhold (MMC, HARP, SNP) or 1.125% of withhold (MLTC*) based on Plan Type
- In the reconciliation worksheet, for all service categories where the encounter to cost report ratio is outside of the 0.95 to 1.05 range, the plan must enter **numeric adjustments** to bring ratios within 0.95 to 1.05
- In addition to numeric responses, plans must provide:
 - Qualitative responses** describing each reconciled variance
 - Documentation** that supports the qualitative response the plan has included
- The **State will review all numeric, qualitative responses and supporting documentation** to determine if the **Plan made a good faith effort** to provide a sufficient response
 - The plan receives a portion of their withhold % for each variance in which this criteria is met.

Reconciliation Tables - Encounter Data to Cost Reports

Plan Name: _____
Line of Business: MMC

A: State Developed Encounter vs. Cost Report

Cost Report	Category of Service	State Encounter Data (M)	State MMCOB Reported (M)	Percent of MMCOB Total (M)	Dollar Difference (M)	Encounter to MMCOB Ratio (M)	Member Months (MMCOB) (M)
MMCOB	Inpatient						
MMCOB	Other Outpatient						
MMCOB	Other						
MMCOB	Other Care Medical Expense						
MMCOB	Emergency Room						
MMCOB	Home Health Care						
MMCOB	Personal Care						
MMCOB	Pharmacy						
MMCOB	Primary Care						
MMCOB	Specialty Care						
	Total	\$0	\$0	0.0%	\$0		MMCOB

B: Encounter Data Reconciliation

Cost Report	Category of Service	State Encounter Data (M)	Reconciled Category of Service (M)	Reconciled Category of Service (M)	Other Encounter Data Adjustments (M)	Other Encounter Data Adjustments (M)

B: Encounter Data Reconciliation - Responses

Table Column Key	Column Heading	Response
01	Reconciled Category of Service	
02	Reconciled Category of Service	
03	Reconciled Category of Service	
04	Other Encounter Data Adjustments	
05	Other Encounter Data Adjustments	
06	Other Encounter Data Adjustments	
07	Other Encounter Data Adjustments	

C: Cost Report Reconciliation - Responses

Table Column Key	Column Heading	Response

June 2020

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Encounter Data Withhold Walkthrough (continued)

6



Timeliness of Submission Assessment

- The Timeliness of Submission Assessment is worth 0.5% of withhold (MMC, HARP, SNP) or 0.375% of withhold (MLTC*) based on Plan Type
- Withhold percentage is recouped if Plan submits completed template thirty (30) days from receipt
- For every day late (i.e. every day after 30 days), Plan will have 1/5 of withhold deducted, per table below

Days Past Due Date	MMC/HARP/SNP	MLTC*
1 day	- 0.1%	- 0.075%
2 days	- 0.2%	- 0.150%
3 days	- 0.3%	- 0.225%
4 days	- 0.4%	- 0.300%
5 days	- 0.5%	- 0.375%

June 2020

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Level Set: How Withhold and Penalty Relate

7

- An important concept to keep in mind is the linkage between the withhold and penalty measures

Important Takeaways:

- The **metrics** used to measure the withhold and encounter data penalty **do not overlap**
- However, there is a **linkage between** the **withhold *Quality of Submission*** metric and the **encounter data penalty *Accuracy*** metric:
 1. The Q1/Q2 2020 *Reconciliation Worksheet* used to measure the **withhold** allows plans the opportunity to understand and resolve variances in their encounter to cost report ratios
 2. Plans will be asked to also fill out a *Reconciliation Worksheet* for CY 2020 Initial and Final Cost Report submissions. For the Final CY 2020 *Reconciliation Worksheet* the plan will have had the opportunity to fix discrepancies based on the Q1/Q2 CY 2020 and Initial CY 2020 submissions
 3. If the plans provides sufficient response and documentation in the Final CY2020 *Reconciliation Worksheet*, the adjusted (i.e. in compliance) encounter to cost report ratio will be considered when calculating the **accuracy penalty**
- Overall, Plans that make a concerted effort to submit a quality *Encounter Data Reconciliation Worksheet*, are likely to better perform on the accuracy penalty measure

Withhold Assessment

Quality of
*Reconciliation
Worksheet
Submission*



Timeliness of
*Reconciliation
Worksheet
Submission*



Encounter Data Penalty Measures



Accuracy of
Encounter Data



Timeliness of
Encounter Data



Completeness of
Encounter Data

June 2020






Department
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SFY 20-21 Enacted Encounter Data Penalty

8

- Enacted penalty measures plan performance on accuracy, timeliness, and completeness metrics
- Penalty is applied to total premium of Mainstream, HARP and SNP plans (up to 2% of premium) and MLTC* plans (up to 1.5% of premium)

Penalty Measure	Criteria	Managed Care Line of Business	Penalty as a % of Capitated Premium
 Accuracy	Encounter data fails to conform to department developed benchmarks evaluated at category of service level.	MMC/HARP/SNP	1.33%
		MLTC*	1.00%
 Timeliness	Encounter data submitted or resubmitted past the deadlines set forth in the model contract. Encounter data acceptance rate fails to confirm with department benchmarks.	MMC/HARP/SNP	0.33%
		MLTC*	0.25%
 Completeness	Encounter data submitted results in rejection rate > 10% of department developed volume benchmarks	MMC/HARP/SNP	0.33%
		MLTC*	0.25%


Total Penalty as % of Capitated Premium	MMC/HARP/SNP	2.00%
	MLTC*	1.50%

June 2020

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Measuring Accuracy

9

Measure	Managed Care Line of Business	Penalty as a % of Capitated Premium
 Accuracy	MMC/HARP/SNP	1.33%
	MLTC*	1.00%
Timeliness	MMC/HARP/SNP	0.33%
	MLTC*	0.25%
Completeness	MMC/HARP/SNP	0.33%
	MLTC*	0.25%

Current Accuracy Measures

- % of Plan Submitted Files/Encounters Accepted**
 - File Benchmark: ≥ 95%
 - Encounters Benchmark: ≥ 90%
- EIS / MMCOR Comparison – Overall Reported Dollars**
 - Q1 Benchmark: 80%
 - Q2 Benchmark: 85%
 - Q3 Benchmark: 90%
 - Q4 Benchmark: 95%

New Accuracy Measure

- Leverage existing *Encounter to Cost Report (CR) Comparison* reporting (100% Weight)**
 - Measure annual variances in expense (Year 1 forward) and utilization (Year 2 forward) by categories of service (COS)
 - **Methodology:** Composite score derived from cost weighting each “passing” EIS/CR comparison score for every relevant COS that falls in the range of 0.95 to 1.05
 - **Composite score** will determine level of penalty based on the following tiers:


Composite Score Tier	% of Penalty Applied
0 – 70%	100% of penalty – full penalty
>70 – 80%	66.7% of penalty
>80 – 90%	33.3% of penalty
>90 – 100%	0% of penalty – no penalty applied

June 2020

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Measuring Timeliness

10

Measure	Managed Care Line of Business	Penalty as a % of Capitated Premium
Accuracy	MMC/HARP/SNP	1.33%
	MLTC*	1.00%
 Timeliness	MMC/HARP/SNP	0.33%
	MLTC*	0.25%
Completeness	MMC/HARP/SNP	0.33%
	MLTC*	0.25%

Current Timeliness Measures

- # of Accepted Encounter Data Files Based on Timeframe**
 - Dental, Institution & Professional Benchmark: ≥ 2 file submissions per month
 - Rx Benchmark: ≥ 1 file submission per day
- % of Original Encounters Submitted On-Time**
 - Benchmark: ≥ 90% On-Time Submission in Quarter
 - “On-Time” defined as 180 days from date of service (DOS)

New Timeliness Measures


- % of Accepted Encounter Data Records >95% accepted (50% Weight)**
 - By Institutional, Professional, Dental and Pharmacy claims
 - Measured quarterly
- % of Original Encounters Submitted On-Time by Claim Type (50% Weight)**
 - “On-Time” encounters must be submitted within 180 days from date of service (DOS)
 - By Institutional, Professional, Dental and Pharmacy claims
 - Measured quarterly

June 2020

*MLTCP, MA, MAP, and PACE Plans

Measuring Completeness

11

Measure	Managed Care Line of Business	Penalty as a % of Capitated Premium
Accuracy	MMC/HARP/SNP	1.33%
	MLTC*	1.00%
Timeliness	MMC/HARP/SNP	0.33%
	MLTC*	0.25%
 Completeness	MMC/HARP/SNP	0.33%
	MLTC*	0.25%

Current Completeness Measures

- % Change of Accepted Encounters PMPM**
 - Benchmark: $\geq -10\%$ YoY Change from Prev. Qtr.
- Avg. Procedure/Diagnosis Codes per Encounter**
 - Benchmark: \geq 10th percentile of previous year

New Completeness Measures




- % Change of Accepted Encounters, per member per month, relative to individual plan (50% Weight)**
 - Benchmark: $\geq |10\%|$ YoY Change from Prev. Qtr.
 - By Institutional, Professional, Dental and Pharmacy claims in Year 1 and COS in Year 2 forward
 - Measured quarterly
- # of Accepted Encounters, per member per month, relative to all plans (50% Weight)**
 - Benchmark: 90% of statewide overall # of Accepted Encounters PMPM
 - By Institutional, Professional, Dental and Pharmacy claims in Year 1 and COS in Year 2 forward
 - Measured quarterly

June 2020

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Encounter Data Penalty Timing

12

Penalty Measure	Performance Report Timing	Final Data Submission Deadline for Plans	Measurement Time Period	Penalty Effectuation Date
 Accuracy	Three (3) per year: (1) Q1/Q2 Report (2) Interim CY Report (3) Final CY Report (7/30)	3rd Quarter CY 2021	<ul style="list-style-type: none"> Annually based on calendar year, starting with CY2020 Final CY Report is used for measurement 	March 2022, based on CY2020 annual performance
 Timeliness	Monthly	End of each Calendar Quarter	Quarterly based on calendar year, starting with CY2020	2nd Quarter CY 2021, based on four (4) CY2020 quarters of performance (evenly weighted)
 Completeness	Monthly	End of each Calendar Quarter	Quarterly based on calendar year, starting with CY2020	2nd Quarter CY 2021, based on four (4) CY2020 quarters of performance (evenly weighted)

Annual Timeline – Accuracy Measure

7/30/2021	9/15/2021	11/30/2021	12/31/2021	1/31/2022	2/28/2022	3/31/2022
Encounter data cutoff date for Rate Setting	Final CY Cost Report Submissions Due	Final CY EIS to Cost Report Comparisons released to Plans	Encounter Reconciliations Worksheets due to DOH from plans	Review of Worksheets complete	Calculation of Penalties complete	Penalties assessed

June 2020